MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2019/2020

PFA0064 – ESSENTIALS OF FINANCIAL ACCOUNTING

(Foundation in Management)

14 OCTOBER 2019
2.30 p.m – 4.30 p.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **FIVE** pages (excluding the cover page) with 4 questions only.

2. Answer **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Write your answers in the Answer Booklet.

Question 1

The following are balances for Aladin Berhad for the year ended 30 June 2019.

	(RM)
Inventory at 1 July 2018:	
Raw materials	25,000
Work in process	15,000
Finished goods	20,000
Purchases: Raw materials	200,000
Factory wages	50,000
Fuel and power	20,000
Rental	20,020
Repairs to factory	6,000
Factory (at cost)	100,000
Return inwards	4,000
Sales	500,000
Office expenses	8,000
Carriage outwards	3,000
Financial charges	1,000

Additional information:

1. Depreciation of 10% on factory using the straight line method.
2. RM3,000 outstanding for fuel and power.
3. Rental paid in advance: RM2,000.
4. 60% of fuel and power and 70% of rental to be charged to factory.
5. Inventory at 30 June 2019 were:

Raw materials	RM 22,000
Work in process	RM 12,000
Finished goods	RM 24,000

Required

a) Prepare the manufacturing account for the year ended 30 June 2019. (13 marks)

b) Prepare the statement of profit or loss and other comprehensive income for the year ended 30 June 2019. (12 marks)

(Total 25 marks)

Continued...

Question 2

A summary of the Yoga Club is shown below:

Cash Book

	(RM)		(RM)
Balance 1.1.2018	380	Purchase of yoga mats	500
Collections from ticket sales	3,000	Studio rental	1,500
Profit from Jumbo sales	420	Printing and stationery	120
Donation from public	3,200	Secretary's expenses	150
		Repairs to equipment	60
		International yoga day	520
		Donation for charity	100
		Balance 31.12.2018	4,050
	7,000		7,000

Additional information:

i) At 1 January 2018, equipment was valued at RM500.

ii) Depreciate all equipment at 10% using straight line method for the year 2018.

iii)At 31 December 2018, rental for studio is paid in advance was RM300.

iv)At 31 December 2018, there was RM60 owing for printing.

Required

a) Prepare the income and expenditure account for the year ended 31 December 2018.

(14 marks)

b) Prepare the statement of financial position as at 31 December 2018.

(11 marks)

(Total 25 marks)

Continued...

Question 3

Part A

Fancy and Nancy have been in partnership for many years, sharing profits and losses equally.The partnership shows the following balances at the end of year 2018:

	(RM)	(RM)
Non-current assets		
Office furnitures		10,400
Building		16,000
		26,400
Current assets		
Inventory	6,000	
Accounts receivable	4,000	
Cash at bank	720	10,720
Total assets		37,120
Current liability		
Accounts payable		5,800
Financed by:		
Fancy		20,000
Nancy		11,320
Total equity and liabilities		37,120

On 1st January 2019, the partnership decided to admit Jancy as a partner on the condition that she contributed RM10,000 cash as her capital but the building, inventory and office furnitures should be revalued at RM16,820, RM8,100 and RM10,000 respectively. Allowance for bad debts is RM2,000.

Required

Prepare the following accounts as at 1 January 2019:

a) Revaluation account. (3 marks)
b) Partners' capital accounts (columnar format). (7 marks)
c) Statement of financial position. (10 marks)

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Part B

Below are list of transactions given for Shark corporation:

i. Equipment is purchased by signing a 2-year, 8% note payable.
ii. Cash dividends on ordinary share are declared and paid.
iii. 50 units of ABC company ordinary shares are purchased for cash.
iv. Merchandise is sold to customers for cash.
v. Bonds payable are converted into ordinary share.

Required

Classify the above transactions as either **operating activities, investing activities, financing activities** or **non-cash activities.** (5 marks)

(Total 25 marks)

Question 4

Below is the accounting details of Nazri Berhad as at 31 December 2018:

	(RM)
Issued and called up share capital: Ordinary shares RM1 each	300,000
Loan notes (2%)	100,800
Plant at cost	540,000
Motor vehicles at cost	200,000
Inventory (31 December 2018)	12,000
Accounts receivables	10,000
Accounts payables	32,000
General reserve	20,000
Bank	46,284
Purchases	20,500
Sales	420,000
Warehouse rental	14,000
Motor expenses	4,000

Additional information:

Retained profit as at 31st December 2017	RM 40,000
General reserve as at 1st Jan 2018	RM 30,000
Preference dividend paid during 2018	RM 4,000
Ordinary dividend paid during 2018	RM 21,000
Motor expenses accrued at 31st December 2018	RM 520
Bad debts written off at 31st December 2018	RM1,200
Warehouse rental paid in advance at 31st December 2018	RM8,000
Inventory as at 31st December 2017	RM61,000

The company non-current assets are depreciated at the rate of 10% annually and loan interest 2% was fully paid for the year 2018.

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Required

a) Prepare the statement of profit or loss and other comprehensive income for the year ended 31 December 2018. (10 marks)

b) Prepare the statement of changes in equity for the year ended 31 December 2018. (5 marks)

c) Prepare the statement of financial position as at 31 December 2018. (10 marks)

(Total 25 marks)

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